

executive order 418



Mitt Romney, Governor  
Kerry Healey, Lieutenant Governor  
Jane Wallis Gumble, Director

Massachusetts  
Department of Housing &  
Community Development  
1 Congress Street  
Boston, MA 02114

(617)727-7765  
<http://www.mass.gov/dhcd>

# Executive Order 418

## *Fact Sheet*

On January 21, 2000, Governor Paul Cellucci and Lieutenant Governor Jane Swift issued Executive Order 418, “Assisting Communities in Addressing the Housing Shortage,” to help communities plan for new housing opportunities while balancing economic development, transportation infrastructure improvements and open space preservation. The goal of EO 418 is to increase the supply of housing to individuals and families across a broad range of incomes.

Section I: Community Development Plan

Section 1 of Executive Order 418 directs the Department of Housing and Community Development (DHCD), the Executive Office of Environmental Affairs (EOEA), the Executive Office of Transportation and Construction (EOTC) and the Department of Economic Development (DED) to provide assistance to cities and towns for community planning. The order makes available up to \$30,000 in planning services to each of the 351 cities and towns in Massachusetts for the creation of a Community Development (CD) Plan. The program also assists cities and towns seeking to create “regional development plans” for new housing and open space on a regional basis.

**How it works**

A “community development plan” is a comprehensive, strategic plan, for the future development of a municipality which addresses:

- Location, type, and quantity of new housing units including housing for individuals and families across a broad range of incomes
- Location, type, and quantity of commercial and industrial development
- Location, type, and quantity of open space to be protected including identification and prioritization of environmentally critical

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	<p>unprotected open space, land critical to sustaining surface and groundwater quality and quantity, and environmental resources</p> <ul style="list-style-type: none"><li>• Location and description of any improvements to transportation, including matters of safety, access, congestion, and transit, intermodal connections and environmental considerations.</li></ul> <p>Working together, the four agencies developed a guide detailing the planning process entitled: <u>Building Vibrant Communities Linking Housing, Economic Development, Transportation, and the Environment</u>. Each community will receive a copy of the guide at the time EOEa presents the community’s buildout analysis. The guide will include a chapter tailored to the specific community. The basic guide may be viewed or downloaded from DHCD’s website (<a href="http://www.state.ma.us/dhcd">www.state.ma.us/dhcd</a>).</p>
Who is eligible	All 351 municipalities are eligible to participate in the program and receive the planning services once they have received the buildout analysis.
Awards	The maximum award is \$30,000 in planning services. No funds go directly to the community. The regional planning agencies are the agents for the four state agencies and will administer the funds on behalf of participating communities.
Planning process	<p>After the community receives its planning guide, the chief elected official signs the Initial Agreement if the community wishes to participate in the CD planning process. The agreement describes the roles and responsibilities of the four state agencies, the RPA and the community, and the steps to be taken in creating the CD Plan. A copy of the agreement is included in the front pocket of the guide; the signed agreement returned to the RPA serves to officially notify the RPA and the four state agencies of the community’s intention to participate.</p> <p>The RPA serves as the community’s guide throughout the process and as its link to the state agencies for all administrative tasks associated with developing the community’s CD Plan. To streamline the process for selecting professional consultants to assist the community in creating the CD Plan, the state agencies undertook procurement of consultants in 13 disciplines for use by communities. Only consultants on the resulting Master Services Agreement List, which includes the RPAs, can be hired to perform the services using the state designated funds.</p>

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**Section II: Housing Certification –**

Section 2 of Executive Order 418 directs the Director and Secretaries of DHCD, EOEA, EOTC, and DED to develop and implement a program to give priority in awarding over \$364 million in annual discretionary funds to those cities and towns that the Director of DHCD has determined are taking steps to increase the supply of housing for individuals and families across a broad range of incomes.

**COVERED PROGRAMS**

Non-competitive rolling application grant programs

<u>Department of Housing and Community Development (DHCD):</u>	<u>Executive Office of Transportation and Construction</u>
<ul style="list-style-type: none"><li>• MA CDBG- Ready Resource Fund (RRF)</li><li>• MA CDBG- Massachusetts Community Capital Fund (MCCF)</li><li>• Community Development Action Grant (CDAG)</li><li>• Demolition of Abandoned Buildings</li></ul>	<ul style="list-style-type: none"><li>• Public Works Economic Development (PWED)</li></ul>

Competitive grant programs

<u>Department of Housing and Community Development (DHCD):</u>	<u>Executive Office of Environmental Affairs (EOEA):</u>
<ul style="list-style-type: none"><li>• Federal Tax Credits (LIHTC)</li><li>• State Tax Credits</li><li>• HOME</li><li>• Housing Stabilization Fund (HSF)</li><li>• Housing Innovations Fund (HIF)</li><li>• Soft Second Loan Program</li><li>• Lead Paint</li><li>• MA CDBG – Community Development Funds I &amp; II (CDF I &amp; II)</li><li>• MA CDBG – Housing Development Support Program (HDSP)</li><li>• Affordable Housing Trust</li></ul>	<ul style="list-style-type: none"><li>• Self Help Program</li><li>• Urban Self Help Program</li><li>• MA Clean Water State Revolving Fund Program</li><li>• MA Drinking Water State Revolving Fund Program</li></ul>
	<p>Department of Economic Development (DED):</p> <ul style="list-style-type: none"><li>• The Minority Economic and Community Development Grant Program (MEDC)</li><li>• The MA Tourism Competitive Grant Program</li></ul>

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**How  
it works:**

Link to Discretionary Grant Programs

- Competitive discretionary grant programs - Communities that attain “housing certification” will receive a 10% scoring bonus when applying for above competitive discretionary grant programs.
- Non-competitive and/or rolling applications - Communities without housing certification are not eligible to receive the non-competitive, not scored, rolling application discretionary grant funds identified above.

Communities must request housing certification annually and can receive certification through **Category A:** demonstration of new housing unit production, or **Category B:** completion of a checklist of proactive steps demonstrating that it is planning, removing barriers and creating a positive atmosphere for housing development.

**Year 1 (7/1/00 to 6/30/01)** A community that demonstrates an increase in housing units that are affordable to individuals and families across a broad **range of incomes, as defined in** **Category A**, or verifies the completion of seven **(7) of the activities listed in** **Category B**, will receive housing certification.

**Year 2 (7/1/01 to 6/30/02) and Year 3 (7/1/02 to 6/30/03)** A community that demonstrates an increase in housing units that are affordable to individuals and families across a broad range of incomes, as defined in **Category A**, or verifies the completion of fourteen (14) proactive steps listed in **Category B** will receive housing certification.

**Year 4 and beyond (7/1/03 and beyond)** A community that is producing additional housing units that are affordable to individuals and families across a broad range of incomes, as defined in **Category (A)**, will receive housing certification. Only those communities actually having housing produced will receive certification.

**Category A**

Qualifying *ownership* units are defined as:

- Affordable to low- and moderate- income individuals and families (less than or equal to 80% of the median income for the MSA, PMSA, or non-metropolitan county in which the unit is located), and/or
- Affordable to middle income individuals and families (less than or equal to 150% of the median income for the MSA, PMSA or non-metropolitan county in which the unit is created).

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Qualifying *rental* units are defined as:

- Affordable to low- and moderate- income individuals and families (less than or equal to 80% of the median income for the MSA, PMSA, or non-metropolitan county in which the unit is located), and/or
- Affordable to middle income individuals and families (less than or equal to 100% of the median income for the MSA, PMSA, or non-metropolitan county in which the unit is located).

#### Category B

Proactive Steps to encourage housing production; examples include:

- Holding a local or regional housing forum
- Completing and/or implementing a local or regional housing plan or strategy
- Identifying land in the community that is suitable for the development of affordable housing.
- Providing publicly controlled or owned land or buildings at no or be low market cost to a housing developer for the creation of low- and moderate-income housing.
- Designating an individual to negotiate low- and moderate-income housing proposals on behalf of the community.
- Creating or participating in a local or regional housing partnership that reports to or includes the chief executive municipal official.
- Attaining a level of at least 8 percent on the MGL ch.40B subsidized housing inventory.
- Having zoning provisions that allow various housing uses as a matter of right such as duplexes, multi-family, co-housing, accessory apartments or have zoning which allows these uses through special permit and show that special permits have been issued within 12 months.
- Implementing procedures to expedite the permitting process for housing development.

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**Application  
process:**

Annual application form is mailed to the chief executive officer in each municipality in the spring for the following fiscal year; form also available on the DHCD website.

Application completed and signed by chief executive officer is mailed to DHCD for review; results are mailed to the municipality and posted on the DHCD website.

Communities may submit a request for housing certification at any time. Communities whose initial certification requests have been rejected may resubmit at any time.

The state funding agency is responsible for checking the community's housing certification status with DHCD.

The community's housing certification status will be checked 15 days after the grant deadline for competitive grants and on the day of application for a rolling, non-competitive application.

**For more information on Community Development Plans: Contact your regional planning agency. If questions remain or you have a question on Housing Certification, call DHCD's EO 418 project Leader at (617) 727-7001 ext. 401.**